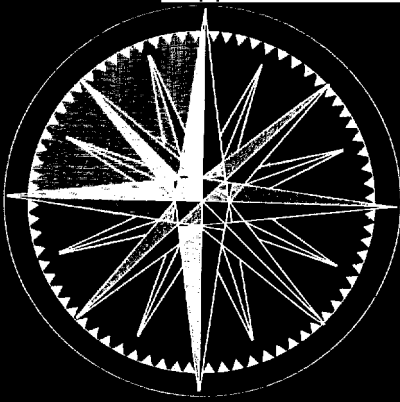


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7 January 1966

OCI No. 0271/66

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WEEKLY SUMMARY

State Dept. review completed

DIA review completed.

CENTRAL INTELLIGENCE AGENCY

OFFICE OF CURRENT INTELLIGENCE

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SECRET**C O N T E N T S**

(Information as of noon EST, 6 January 1966)

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Hanoi's propaganda--with support from Peking and Moscow --has sustained a tough and unyielding response throughout the week to President Johnson's peace offensive. As Soviet party secretary Shelepin left for Hanoi, China leveled new polemical blasts at Soviet policy on Vietnam which probably reflect growing Chinese concern over Moscow's efforts to increase Soviet influence in the DRV. In South Vietnam last week, Communist military activity centered in the coastal province of Quang Ngai.	
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- AFRICANS CONTINUE TO PRESS BRITAIN ON RHODESIA** 17
Prime Minister Wilson plans to use the coming Commonwealth conference in Lagos, Nigeria, to convince the Africans of the effectiveness of the UK's economic sanctions against Rhodesia, but the Africans are certain to call for more forceful measures.

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Europe

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EFFECT OF ITALIAN FOREIGN MINISTER'S RESIGNATION

20

The resulting cabinet reshuffle may upset the balance in Italy's four-party governing coalition and impede its legislative program.

THE SUCCESSION PROBLEM IN SPAIN AND PORTUGAL

The succession problem in the Iberian countries arises from the failure of the two aging dictators to make adequate provision for an orderly transfer of power. The military in both Spain and Portugal will probably try to retain the authoritarian regimes, although no successor is likely to wield for long the concentrated power of Franco and Salazar. If the military should fail to agree on a successor, the presently weak opposition groups in both countries might seize the opportunity to agitate for changes in the form of government. (Published separately as Special Report OCI No. 0271/66A)

TIMETABLE FOR KENNEDY ROUND IS STRAINED

21

US and Common Market officials will meet in Brussels next week to discuss the bleak prospects for a successful conclusion of the Kennedy Round trade and tariff talks in Geneva. The major stumbling block at Geneva is the internal crisis in the Common Market.

Western Hemisphere**CASTRO'S ANNIVERSARY SPEECH AND THE TRI-CONTINENT CONFERENCE**

22

Castro's speech on the seventh anniversary of his regime concentrated on Cuba's economic problems--some of which he blamed on a "misunderstanding" with Peking. This may have been calculated to embarrass the Chinese as the Tri-Continent Conference was getting under way, despite reports of Cuban efforts to avert an open Soviet-Chinese clash at the meeting.

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| SITUATION IN PANAMA ON ANNIVERSARY OF ANTI-US RIOTS | 25 |
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| SITUATION IN THE DOMINICAN REPUBLIC | 27 |
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VIETNAM

Hanoi's tough propaganda response to President Johnson's peace offensive has been sustained throughout the week. Following the initial commentary of 30 December, more authoritative statements having the same tone have appeared in the party daily, and in radiobroadcasts of special messages and interviews with both the DRV President and the premier.

On 4 January, a special Foreign Ministry communiqué was issued in which the pause in air strikes was acknowledged for the first time. According to this statement, the US has no right to demand concessions from the DRV in return for a bombing pause, but should "permanently and unconditionally end its bombings and other war acts."

The South Vietnamese Liberation Front also interpreted the pause as an ultimatum. In its first official reaction to the peace offensive on 5 January, the Front's central committee said that "the South Vietnamese people would not allow the US Government to make the cessation of bombings in the North conditional upon the South Vietnamese people laying down their arms."

The DRV Foreign Ministry statement gives the impression that Hanoi is simply not interested in talks at the present time except on terms unacceptable to the US. The DRV's four points themselves were reprinted in detail, exactly as set forth last April. Whereas Pham Van

Dong had originally called for US "recognition" of the four points, the memorandum called for "actual deeds" to prove US acceptance, suggesting a hardening of the DRV position. Calling for "proof" of US intentions, however, has been part of DRV conditions for peace talks since Ho Chi Minh first used the formulation last August.

Hanoi apparently fears that the US peace campaign may cost it some support in the West. In an effort to discredit US intentions, it characterized offers to talk as "tricks" aimed at screening the dispatch of additional US troops to South Vietnam, and as part of a plan to intensify and expand the war; the peace offensive was described as an ultimatum. Throughout the entire period of the bombing cessation, Hanoi also has tried to capture news headlines by flooding the International Control Commission with protests about daily US reconnaissance flights over North Vietnam, the US use of chemical warfare in the South, and other alleged violations of the Geneva agreements.

Like Hanoi, Peking has denounced the US peace effort as a "hoax," but it has not so far publicly commented on the suspension of US bombing of the DRV. On 1 January, the Chinese Communist party daily hailed the DRV for "pointedly scuttling" the current US "peace intrigue" and again openly endorsed Vietnamese intransigence, urging

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Hanoi to avoid negotiations except on Communist terms. The Chinese asserted that the US aim in advocating "unconditional discussions" was to force the Vietnamese people to surrender unconditionally and to accept the "permanent stay" of US troops in Vietnam.

Soviet and most East European propaganda commentary dismisses the US diplomatic efforts as a "smokescreen" to disguise planned escalatory steps. Moscow has reported the DRV Foreign Ministry statement but has avoided any independent editorial comment on the bombing pause.

DRV Relations With the Bloc

The Shelepin delegation left Moscow for Hanoi on 6 January. Its composition indicates that--like the Kosygin mission last February--the Soviets will be engaged in a high-level review of material assistance to the DRV as well as Soviet - North Vietnamese party relations.

There are also indications that Shelepin may include a visit to North Korea on his itinerary, as did Kosygin last year.

Moscow probably will highlight Shelepin's stay in North Vietnam as dramatic evidence of Soviet support for Hanoi, despite Chinese allegations to the contrary. The delegation will undoubtedly also try to get a

first-hand reading on North Vietnamese views regarding diplomatic efforts to move the war to the conference table.

Shelepin can be expected to use any opportunity to cautiously encourage Hanoi to consider possible political alternatives to the war effort, but whatever Hanoi's decision, the USSR will almost certainly continue to avoid any open divergence from the DRV position.

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(See next article for other aspects of Shelepin's visit to the DRV.)

China this week leveled new polemical blasts at Soviet policy toward Vietnam which probably reflect growing Chinese concern over Moscow's efforts to increase Soviet influence in Hanoi. On 30 December the People's Daily used exceptionally harsh language when it charged that in calling for "united action" on Vietnam the Soviets are trying to sow dissension and undermine the friendship between the Chinese and Vietnamese.

Chinese Foreign Minister Chen also raised the issue in a far-ranging press conference which was broadcast by New China News Agency on 4 January. After repeating the Chinese charge that

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Soviet assistance to the DRV was "far from commensurate with the strength of the Soviet Union," Chen introduced a new note in Peking's criticism of the USSR when he declared that if Moscow "really wanted to help the Vietnamese, it could have taken diversionary measures in other parts of the world to "immobilize US forces."

Fighting in South Vietnam

Large-scale enemy activity last week centered in the coastal province of Quang Ngai, where Communist forces of estimated regimental strength attacked and overran the district town of Minh Long on 29 December. With the government's decision not to reoccupy the town, it became the second district headquarters to be lost in the I Corps within the past month. This and subsequent enemy actions in Quang Ngai Province, including damaging attacks on three bridges and several outposts within a 15-mile radius of the provincial capital, were probably undertaken by elements of the Viet Cong Second Regiment and the North Vietnamese 18th Regiment,

in the Da Nang area--have recently accounted for a significant proportion of this total.

Reports last week suggested that a renewed Communist offensive may be imminent in western Pleiku Province. However, elements of the US First Cavalry Divisions currently conducting sweep operations in the area of the fighting last November have not reported any significant enemy contact.

The major allied success of the week occurred in Hau Nghia Province, where Vietnamese and other allied forces killed some 238 Viet Cong and captured 53 others while sustaining casualties of 46 killed and 173 wounded. Vietnamese and South Korean troops were also heavily engaged by Viet Cong forces in Phu Yen Province several miles south of the provincial capital of Tuy Hoa. Tactical air strikes, artillery, and offshore naval gunfire all contributed to inflicting significant casualties on the Viet Cong in this engagement as well.

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Viet Cong activity elsewhere resulted in the loss of a government outpost in Vinh Long Province and included harassment of a Special Forces camp in Quang Tri Province near the Laotian border. In general, total Viet Cong incidents last week rose to a new record high. The majority occurred in the I and IV Corps zones. Enemy actions directed against US forces--particularly

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SECRETThe Communist World**MOSCOW REPORTEDLY BROACHING A BLOC MEETING ON VIETNAM**

The Russians may be considering a gathering of bloc and certain other Communist leaders in connection with the 23rd Soviet party congress next March. Delegates from foreign parties are customarily invited to a party congress, and the Soviets may have tentative plans to use the opportunity to convene a separate session which would focus on support for North Vietnam.

Such a proposal would have clear anti-Chinese overtones even though the Soviets would deny that it was aimed at Peking. The Chinese could be expected to denounce it as further evidence of Moscow's self-serving campaign to enlarge its influence in Hanoi. The Russians have in the past pursued such tactics expressly to incite this very reaction, which they have then attempted to exploit in order to further isolate and discredit Peking. They probably feel that even if the project never gets off the ground the maneuver will earn some dividends by demonstrating that China is "putting ideological differences above the struggle against imperialism."

If the meeting takes place and China should refuse to attend or to sign a joint resolution expressing solidarity with Hanoi, Moscow would point to this as additional "proof" that Peking's obstinacy flies in the face of the expressed desire of the "vast majority" of parties desiring to coordinate and improve bloc aid to the DRV.

There is no indication that Moscow has got beyond the probing stage. Its greatest difficulty would be in securing the approval of Hanoi, which would undoubtedly recognize the anti-Chinese thrust of the Soviet maneuver.

Moscow's ultimate decision on whether to push in earnest for a meeting may depend on the results of Soviet party secretary Shelepi's visit to North Vietnam. Shelepin would have to tread a cautious path, however, since Hanoi has taken great care to avoid being backed into a position requiring it to make a choice between Moscow and Peking. In addition, Moscow undoubtedly expects difficulties from other bloc parties--the Rumanians, for example--which remain reluctant to participate in a multiparty gathering without the Chinese.

China and its supporters have already demonstrated sensitivity over current rumors concerning a bloc meeting on Vietnam. On 30 December Albania reflected uncertainty in a polemical editorial which said "it would seem the Soviet revisionists are planning to hold some meeting of socialist country parties soon on the subject of the Vietnamese war." It went on to blast any such "devilish plan" to isolate China and Albania. On the same day, People's Daily charged that Moscow is "hatching a big plot for a general attack on China and a general split" in the Communist movement.

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CZECHOSLOVAK SECURITY FORCES TRANSFER TO DEFENSE MINISTRY

Czechoslovakia has followed Poland in transferring command of border and internal guard forces from the Ministry of Interior to the Ministry of Defense. The Czech move, effective 1 January 1966, involved the command of 20,000 border and 10,000 internal guards.

Polish border and internal security troops were transferred to the Ministry of Defense in

July 1965. In each instance the reorganization has brought all military forces under a unified command which would facilitate mobilization and defense measures and reduce border security costs.

The Czech press is describing the move as necessary to counter an alleged West German military build-up.

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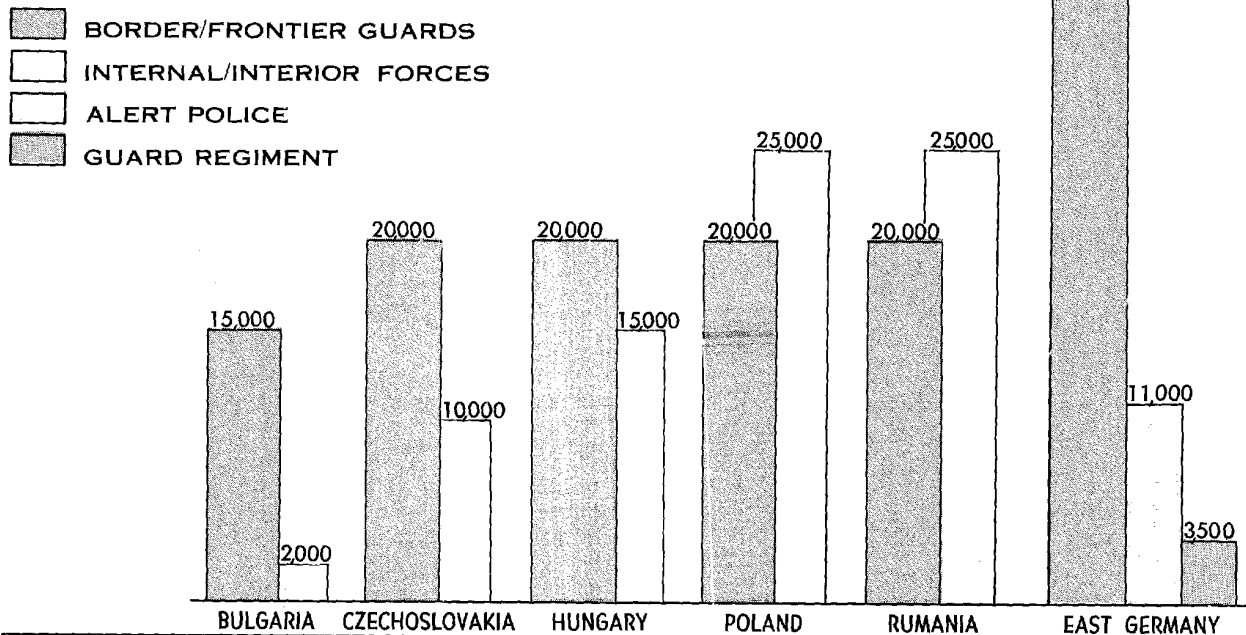
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SECRET**MILITARIZED SECURITY FORCES OF EASTERN EUROPE**

(Total manpower 236,500)



	BULGARIA	CZECHOSLOVAKIA	HUNGARY	POLAND	RUMANIA	EAST GERMANY
DUTIES						
BORDER GUARDS	Support of the regime through the protection and defense of national borders from illegal crossings. be used as combat troops in time of war.					All border guards could
INTERIOR FORCES	To maintain the political and social order of the state and suppress overt resistance to the regime.					No comparable organizations
ALERT POLICE	No comparable organizations					Suppression of antiregime acts; guarding of government installations
GUARD REGIMENT	No comparable organizations					Protection of government officials; honor guard for dignitaries
ORGANIZATION						
BORDER GUARDS	16 Regiments	8 Brigades	10 Regiments 1 Battalion	12 Brigades	7 Brigades	9 Brigades 2 Regiments
INTERIOR FORCES	no breakdown	5 Brigades	no breakdown	2 Brigades 15 Regiments	3 Brigades	
ALERT POLICE						21 Battalions
GUARD REGIMENT						1 Regiment
EQUIPMENT	Small arms, infantry heavy weapons (mortars, light and heavy machine guns), and antitank guns.					
	Patrol boats for Black Sea and Danube duty			Patrol boats for Baltic patrol		
SUBORDINATION	Internal Affairs Ministry	Defense Ministry	Interior Ministry	Defense Ministry	Internal Affairs Ministry	Border Guards-Defense Ministry Alert Police- Interior Ministry Guard Regiment- State Security

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SECRET**CLAMP-DOWN ON CZECHOSLOVAK INTELLECTUALS**

The Czechoslovak regime has recently taken a series of measures against dissident liberal intellectuals, mostly party members. Party first secretary Novotny had been reluctant to use "administrative" or arbitrary suppression lest he inflame party liberals and damage his still fragile image as a "de-Stalinizer." Exhortation and suasion having failed, however, Novotny has quietly moved in recent months through his number two man, ideology boss Hendrych, to make it more difficult for the dissidents to publish.

The most serious blow to liberal intellectuals was the removal of Education and Culture Minister Cisar, who not only encouraged public debate but reportedly protected dissenters attacked by the regime. Among these was liberal philosopher Ivan Svitak, whose expulsion from the party and the Academy of Sciences last year triggered protests within the party. This fall a Vienna magazine gave publicity to Svitak's complaints of persecution and his desire to emigrate. The regime reportedly responded by ordering Svitak to sue the Vienna publishers and by denying him permission to emigrate.

There have been very few cases of outright suppression in past years and Svitak's fate had little inhibiting effect on public debate, probably because of Cisar. However, Jiri Hajek, Cisar's replacement as minister,

is [redacted]

[redacted] not likely to protect any liberals or vigorously promote the liberal cause. Obviously aware of this, philosophy students in Prague--supported by their professors and the university branch of the Communist youth organization--sent a petition to the party central committee protesting Cisar's removal.

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The party has also instituted tighter censorship and ordered the reorganization of the editorial boards of at least two outspoken journals. The Czechoslovak Writers' Union's new journal for young intellectuals, Tvar, had provoked the regime into heated debate in the press, and was ordered closed. A formal protest from union members made the party reconsider, but Tvar--under a changed editorial board--will now be published by the state rather than the union publishing house. The union will create a new organ for the works of young writers.

Other outspoken journals continue to publish, however, and even those "obstructed" by the regime, such as Tvar, can be expected to propound a liberal line. The regime cannot and probably does not want to reverse the liberalization which has taken place in Czechoslovakia. Criticism and debate are likely to continue, although some of the bolder attacks on the core of party policy will diminish as the regime regains control over publications. [redacted]

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SECRETAsia-Africa**CAMBODIAN AND THAI DISSIDENTS STEP UP ACTIVITIES**

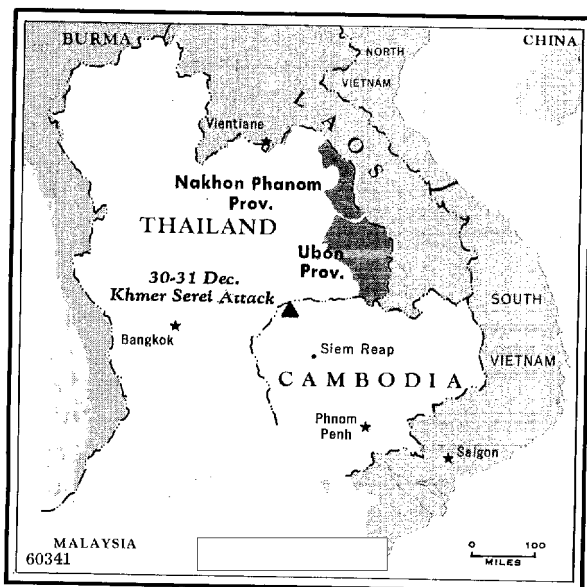
The Communists apparently intend to accelerate their activities in Thailand this year, while Thai-backed Cambodian dissidents have begun a new phase of their campaign against Sihanouk.

The Peking-based Thai Patriotic Front has openly called for an expansion of the "armed struggle" into a "people's war." A Chinese official echoed this statement in Peking on 1 January, saying that the Front would "undoubtedly" make a greater contribution in the new year to the fighting against "US imperialism."

A marked increase in the pace of Communist terrorism, training, and recruiting in Thailand has been noted over the past six months, principally in the northeast provinces of Nakhon Phanom and Ubon. The first terrorist attack on a government post was recorded late last month. Government forces are searching an isolated part of Nakhon Phanom Province but have made only limited contact with the estimated 100-200 guerrillas in the area.

The anti-Sihanouk Khmer Serei dissidents are trying to obtain a secure foothold in northeast Cambodia. On 30-31 December, some 200-300 dissidents attacked a Cambodian border outpost approximately 75 miles north of Siem Reap. The Cambodians lost seven killed, and dissident casualties are unreported.

The attack was the largest since the recrudescence of Khmer Serei activity some 18 months ago. It appears to be part of a Khmer Serei - Thai plan to increase pressure on Cambodian forces in several areas along the border.

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WEEKLY SUMMARY

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SECRET**SPECULATION CONTINUES ON INDONESIA'S POLITICAL FUTURE**

Djakarta continues to seethe with speculation of impending political change.

Some army officers may be thinking wishfully of Sukarno's ouster, but the top leadership appears to be governed by apprehension over the effects of any overt move. General Nasution has explained that Sukarno now is too weak to block any program the army decides to pursue, as his inability to protect the Communist Party of Indonesia (PKI) illustrates. [redacted]

the army does not consider a move against Sukarno worth the risk of open civil war.

Rumors are mounting that Sukarno plans a trip abroad in the near future [redacted]

[redacted] His entourage reportedly would include a number of ministers out of favor with the army who would hesitate to remain in Indonesia unshielded by Sukarno. The President may also

hope to escape responsibility for the country's mounting economic troubles, for which the army still expects to pin the blame on Sukarno.

A 2 January cabinet meeting called unexpectedly by Sukarno was devoted to an examination of Indonesia's economic woes. The government has recently instituted a series of measures designed to counter the country's mushrooming inflation, but their effect is not yet noticeable.

The slaughter of PKI members has apparently ebbed, although the army still has many Communists under arrest. Sukarno reportedly reneged on a ban of the PKI, after army commander General Suharto had obtained what he believed was a promise of support. Lacking Sukarno's cooperation, the army may be planning to legalize its anti-Communist activities by means of a declaration by a special military tribunal on the party's "criminal" nature. [redacted]

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PEKING GIVING LITTLE MILITARY ASSISTANCE TO PAKISTAN

The Chinese appear to be moving very slowly with military assistance to Pakistan. Although [redacted]

Chinese promises have thus far produced only a trickle of ma-

teriel. This probably reflects both growing disenchantment with Ayub Khan and other moderates in Rawalpindi and a decision that a substantial investment in Pakistan cannot be justified at this time.

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Reportedly sixteen Pakistani pilots have completed a short familiarization course in Chinese MIGs and a second group of the same size recently went to China to start training. [REDACTED]

This modest assistance--much less than the military aid supplied by the Indonesians to date, which includes five high-performance MIG-19 fighters actually delivered--contrasts sharply with Pakistani claims of "blank check" offers allegedly made by the Chinese shortly after the end of the fighting in late September. The Pakistani commerce minister returned from a visit to Peking in October claiming that the Chinese had proposed to supply jet fighters and tanks, and to construct a tank factory in Pakistan.

Other stories were circulating in Pakistan about the same time concerning Chinese generosity--including one report that Peking had already supplied small arms and ammunition to Pakistan worth \$157.5 million, "four squadrons of MIGs," and training for both pilots and ground crews of

the PAF. These rumors may have been launched as part of an effort to pry restoration of aid out of the West, or may be distorted reflections of conditional Chinese promises to aid Pakistan at some future time. 25X1

Pakistan's pro-Chinese Foreign Minister Bhutto apparently flew to Peking for a hurried secret consultation--possibly to obtain aid--on 8 November. The question of Chinese assistance to Pakistan is probably still under discussion, and Peking will probably proceed with increased caution. 25X1

President Ayub's visit to the US has been followed by a less critical attitude in the government-controlled press toward both the West and negotiations with India. At present, Pakistan's attention is riveted on the Tashkent meetings, although most senior officials have expressed skepticism over the likelihood of significant progress there. It appears likely that in the absence of progress at Tashkent or Western commitments for renewed military assistance, Ayub will seek to avoid serious deterioration of Pakistan's relations with China. 25X1

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SECRET**BORDER VIOLATIONS RAISE IRAQI-IRANIAN TENSIONS**

Tension has risen sharply between Tehran and Baghdad following several recent Iraqi violations of the Iranian border. It is unclear whether the border violations--air attacks, artillery shellings, and, in one case, an assault by Iraqi tribal irregulars--were accidental or were in reprisal for Iranian help to the Iraqi Kurdish rebels. Tehran seems to think that the attacks were deliberate and has sent additional troops to the border.

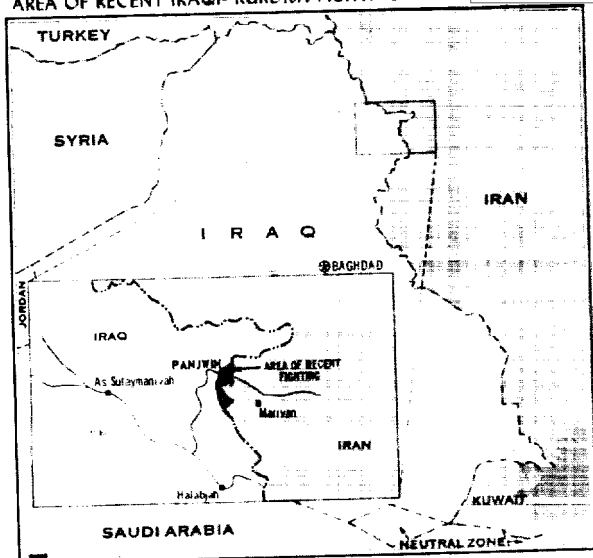
Iran has been helping the Kurds for the past several years. Iraq is aware of this aid and has protested several times.

According to the Iraqi foreign minister, the town of Panjwin, about three miles from the Iranian border, is under attack by Kurds supported by artillery firing from Iranian territory. The Iraqi garrison has suffered 15 killed and many wounded.

The Iraqi press has been taking a relatively soft line, denying infringement of the Iranian border and emphasizing that Baghdad desires good relations between the two countries. The Iraqi defense minister has recently warned, however, that "our patience is at an end." Iraq has also asked Saudi Arabia and the US to intervene in the dispute and has notified the Arab states of the situation.

The Shah has told the US ambassador that he wants to believe the border violations were unintentional and that he will have patience. Nevertheless he appears still to hold to his favorite thesis that Baghdad is acting in concert with Cairo against Iranian interests in the area. The Iranian press, which is directly responsive to the Shah on this issue, has been full of "last drop of blood" editorials. Some members of the Iranian parliament have been calling for action.

AREA OF RECENT IRAQI-KURDISH FIGHTING

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Baghdad has demanded that Tehran close the border to the Kurdish rebels. Iran shows no intention of doing so or of stopping its aid and, indeed, may

step up its efforts, thus heightening the possibility of a direct clash between the armed forces of the two countries.

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MODERATE BAATHIST HEADS NEW SYRIAN GOVERNMENT

After several months of regime infighting, still another Baathist government was formed in Damascus on 1 January, and Salah al-Din Bitar, a moderate, was named premier for the fifth time in less than three years.

The civilian party leaders, who dominate the Damascus-based Baath international organization, have been attempting since last spring to lessen military influence in Syrian affairs. They have been opposed by a radical clique of army officers who had gained control over the Baath's Syrian regional command. The controversy has been further complicated by long-standing personal and sectarian rivalries within both groups.

On 21 December, the international group moved against the radicals by dissolving both the cabinet and the regional command. Bitar subsequently was named premier and formed a 26-man cabinet composed primarily of moderates and technicians.

Only two army officers were named. One of these is Maj. Gen. Muhammad Umrán--a former rival of Presidential Council chief Hafiz--who was recalled from the Syrian Embassy in Spain to fill the defense post. Umrán is a prominent member of the Alawite religious sect and his appointment may be designed in part to placate the influential Alawite group in the officer corps.

Several members of the new regime, including Umrán, have advocated bettering relations with Nasir in the past, and the government will probably try to effect some rapprochement with the UAR. Syria under Baathist rule has become almost completely isolated from the rest of the Arab world. The Egyptians, however, have encouraged Syria's isolation and rejected earlier tentative overtures.

There has been no reaction as yet from the ousted military clique. They retain support within the army, however, and could still resist the moderates' moves.

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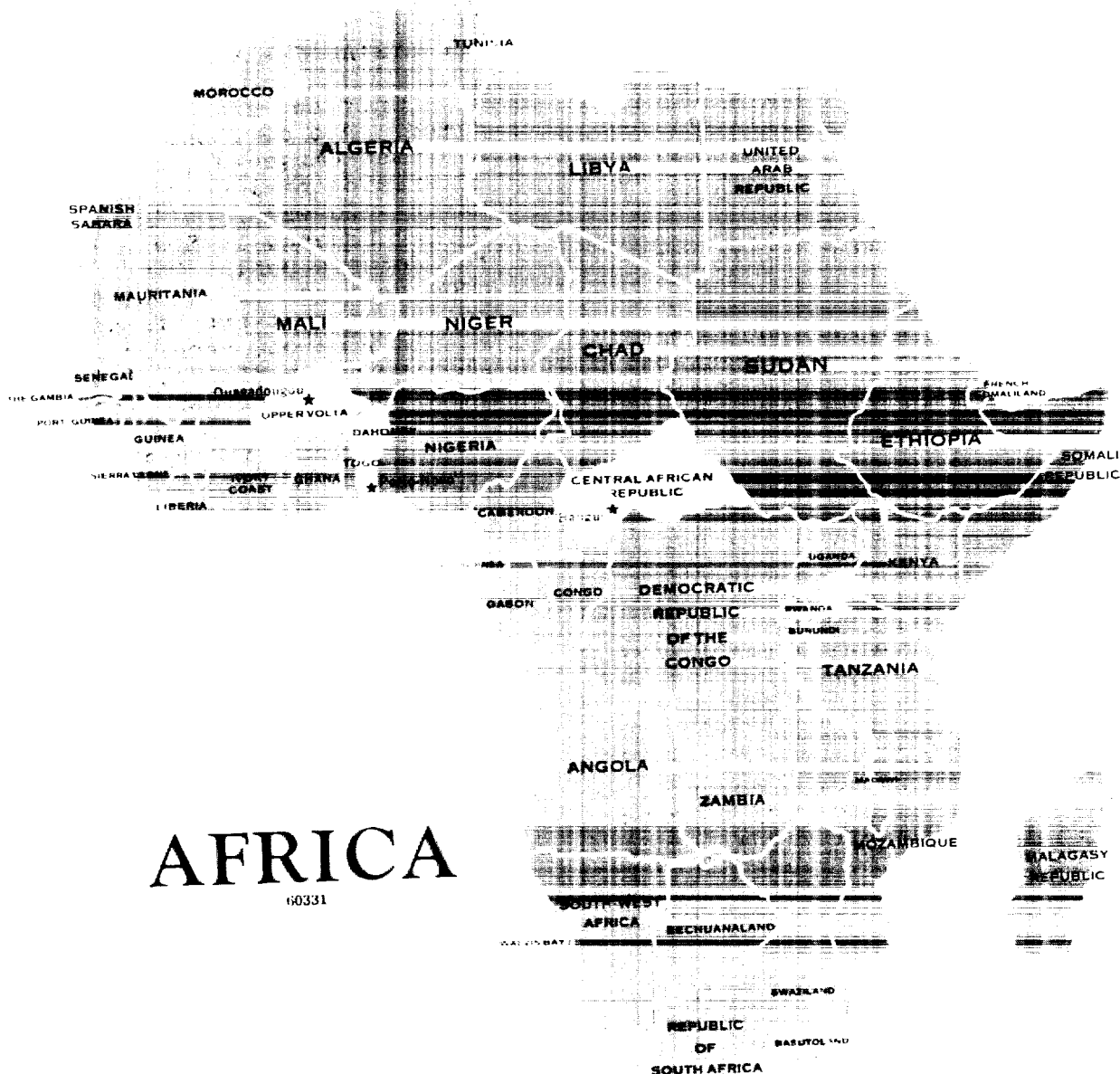
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SECRET**MILITARY OUST THREE WEST AFRICAN GOVERNMENTS**

The continuing fragility of most of the former French African territories was reflected again in the successive military coups which have occurred in Dahomey, the Central African Republic, and

Upper Volta during the past three weeks. One immediate result of these upheavals was the expulsion of the Chinese Communists from the two countries which had recognized Peking.

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SECRETUpper Volta

The pro-Western government of Upper Volta's President Maurice Yameogo was toppled on 3 January, following four days of tension and mass demonstrations in Ouagadougou, the capital. Yameogo's tendency to disregard domestic problems, his extravagances, and

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evidently undermined public support of his regime, despite external appearances that he was in firm control.

The revolt was touched off by Yameogo's announcement on 31 December that civil service salaries were to be cut 10 to 20 percent. The country's most important labor federation was holding a convention in the capital at the time and immediately began protest marches. Yameogo declared a state of emergency on 2 January, but failed to head off a general strike and mass demonstrations on the following day. Serious casualties were avoided largely because the mobs did not challenge the soldiers, whom they urged to seize power.

On the night of 3 January, Chief of Staff Lamizana took over in the name of the army. His efforts to stabilize the country may be complicated by continuing civilian demonstrations. On 4 January a crowd of several thousand marchers, headed by a group of labor leaders, demanded assurances from Lamizana that he would install a genuinely new government.

Catholic union head Joseph Quedraogo, who has strong per-

sonal support in the capital and is a long-term political rival of Yameogo, appears to be emerging as the principal civilian spokesman. He is working with a ten-member Action Committee, composed largely of labor leaders and liberal intellectuals, which may become increasingly influential under a regime headed by the essentially apolitical Lamizana.

Central African Republic

The CAR has remained calm since Army Chief Bokassa's sudden overthrow of moderate President Dacko on 1 January.

The coup was apparently launched almost singlehandedly and without much advance planning by Bokassa in order to forestall threatened cuts in the army budget and an anticipated diminution of his command authority. Although some blood was spilled, the move met only token resistance and the pro-French, anti-Communist Bokassa appears to be in command for the present. His immediate postcoup promise to expel the Chinese Communists, with whom Dacko had established relations in 1964, was implemented on 6 January. There is no indication at this time that the new regime plans an early resumption of ties with Taipei.

Army officers and conservative holdovers from the Dacko regime share key positions under Bokassa in the new government. The gendarmerie--larger and professionally more effective than the rival 450-man army--appears to have been mollified by extra rations and promises of salary

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increases and promotions. The provinces and labor elements are taking the coup in stride.

25X6 Bokassa's ability to keep the ill-disciplined army in hand and to control the course of political events he has set in motion are highly uncertain. He

25X6 [redacted] Radical domestic elements, which Dacko was having increasing difficulty restraining, remain in important subordinate positions in the government and may eventually be able to capitalize on the upheaval.

Dahomey

In Dahomey, where former army chief of staff Soglo took power on 22 December, a new and apparently more competent cabinet is beginning to function. By stating his intention to name Dahomey's three former presidents as ambassadors to Washington, Paris, and Bonn and by releasing the remaining political prisoners, Soglo has made promising moves toward relaxing the feuds which have long crippled the country.

Soglo may also have created competing sources of power, particularly by naming the ambitious Major Alley as his own successor in the position of army chief of staff. Alley has sponsored the formation of an advisory Committee of National Renovation, made up of a hodgepodge of Dahomey's more prominent leftist agitators. The role of this committee has not

yet been clarified, but it has issued a platform calling for such standard extremist goals as reorganization of the security services, mobilization of the masses, and a neutralist foreign policy.

Relations with China are a pivotal issue inherited by the new Dahomean regime. Former president Apithy had engineered the recognition of Peking in late 1964, thereby prompting the departure of the Taiwan representatives. Most of his opponents, notably Soglo, campaigned for a reversal of this situation and promised the early return of the Nationalist Chinese. Relations with the Communist Chinese were finally suspended on 3 January, but continuing delays in reintroducing diplomats from Taiwan may indicate that Soglo's leadership of the new government is far from solid.

France's Attitude

The major concern of France appears to be to limit the unstabilizing effect of these successful military coups on the other ex-French African territories. Minister of Information Peyrefitte warned on 5 January that the unsettled conditions created by the coups are bound to influence France's policies of aid and cooperation. Paris has not directly intervened to keep a particular government in power since its 1964 action in Gabon. Should major French interests or French nationals be endangered, however, France would probably feel compelled to step in. [redacted]

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SECRET**AFRICANS CONTINUE TO PRESS BRITAIN ON RHODESIA**

The Rhodesian crisis seems likely to dominate the Commonwealth conference to be held in Lagos on 11 and 12 January. African leaders will use it to reiterate their criticism of Prime Minister Wilson for his failure to take more forceful measures against the rebel Rhodesian Government. The British hope to use this forum to convince the Africans of their good faith and the effectiveness of their economic sanctions.

The Zambian Government continues to urge the UK to support more forceful measures against the Smith regime, but apparently has not yet decided what these measures should be. The airlift of oil to Zambia is proceeding according to plan despite several unforeseen delays, but the problem of overland transport of supplies continues critical. A lack of rolling stock, storage facilities, and coal for steam locomotives hampers rail transport through the Congo, and the poor condition of the Great North Road from Tanzania to Zambia and of secondary roads in the Malawi section of the Mozambique-Malawi-Zambia supply line limits the capacity of these important land routes. A great deal more time and substantial US/UK technical and financial aid are required to put these routes in condition to carry additional supplies for support of Zambia in case of stepped-up economic warfare with Rhodesia.

Zambian Foreign Minister Kapwepwe has expressed disappointment over the results of his trip

to London and Washington, in search of support against Smith. There has been no public comment on Finance Minister Wina's mission to Moscow, but Zambia can scarcely feel elated over the generalized statement of support given by the Soviet Government.

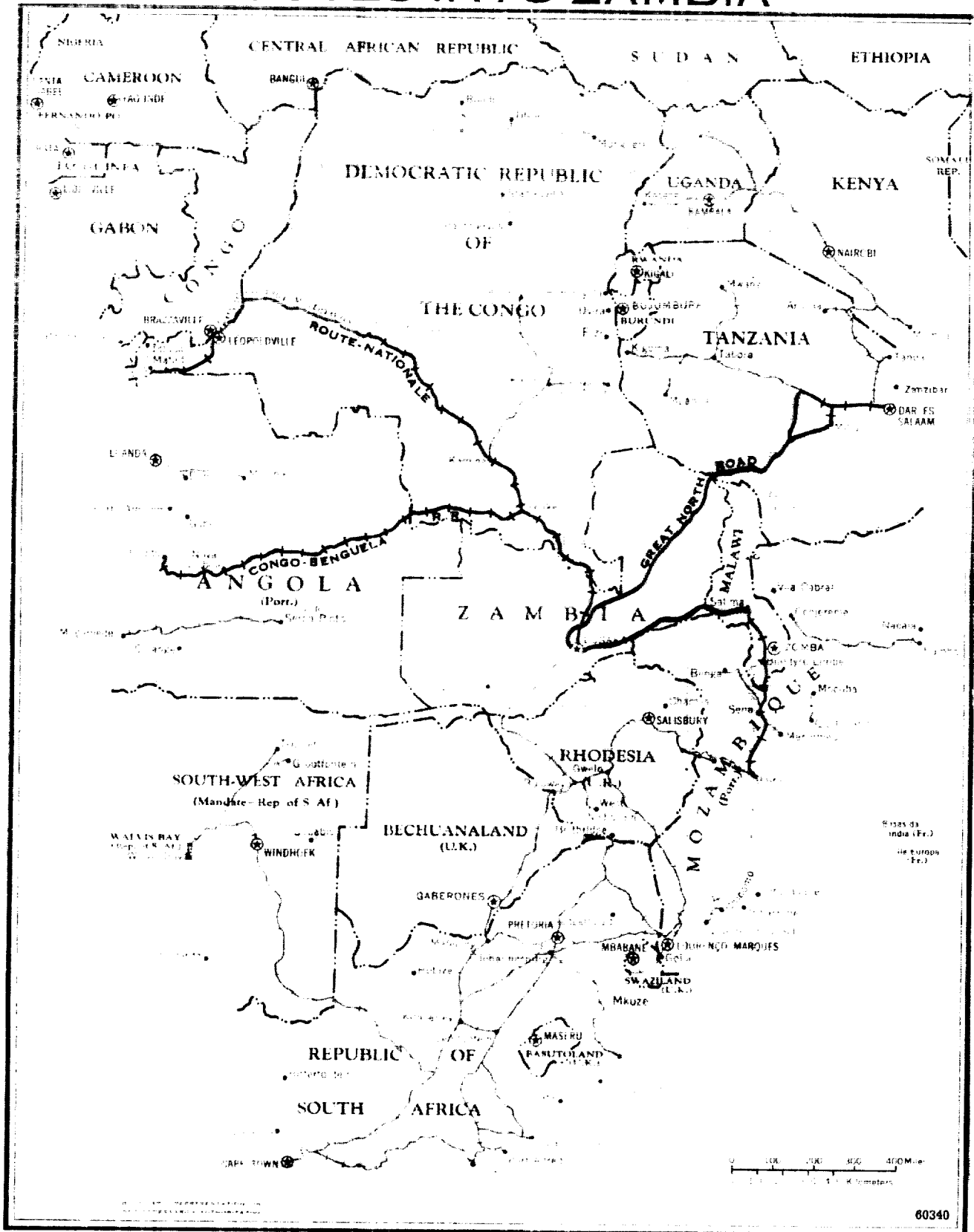
The effects of the oil embargo against Rhodesia are being felt sooner than was expected. Further rationing regulations were imposed on 5 January and supplies held for Rhodesia in the Mozambique port of Beira were reported exhausted with no new tankers arriving to replenish them. The Portuguese/British pipeline company refused to pump out to Rhodesia the 14,000 gallons (approximately 10 days' supply) presently in the Beira-to-Rhodesia pipeline until additional supplies are on hand to keep the line full. It feared that use of sea water to force the oil through would seriously damage the line. If oil does evade the British embargo and reach Beira, however, Lisbon has indicated it will be pumped on to Rhodesia.

The financial restrictions placed on Rhodesian dealings abroad by the UK have begun to pinch business and professional circles in Salisbury.

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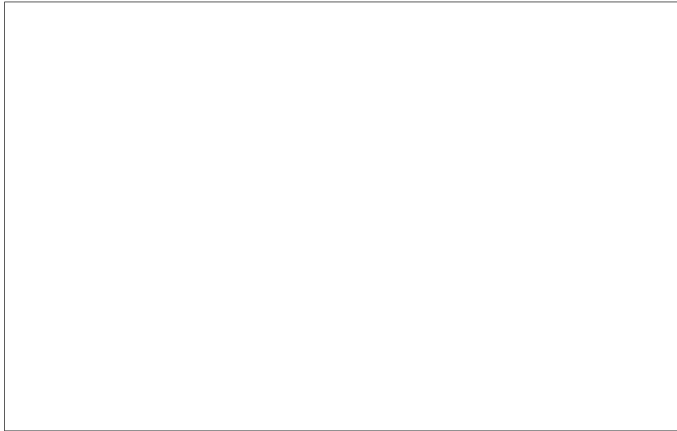
ROUTES INTO ZAMBIA



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The heads-of-state conference
planned by the Organization of

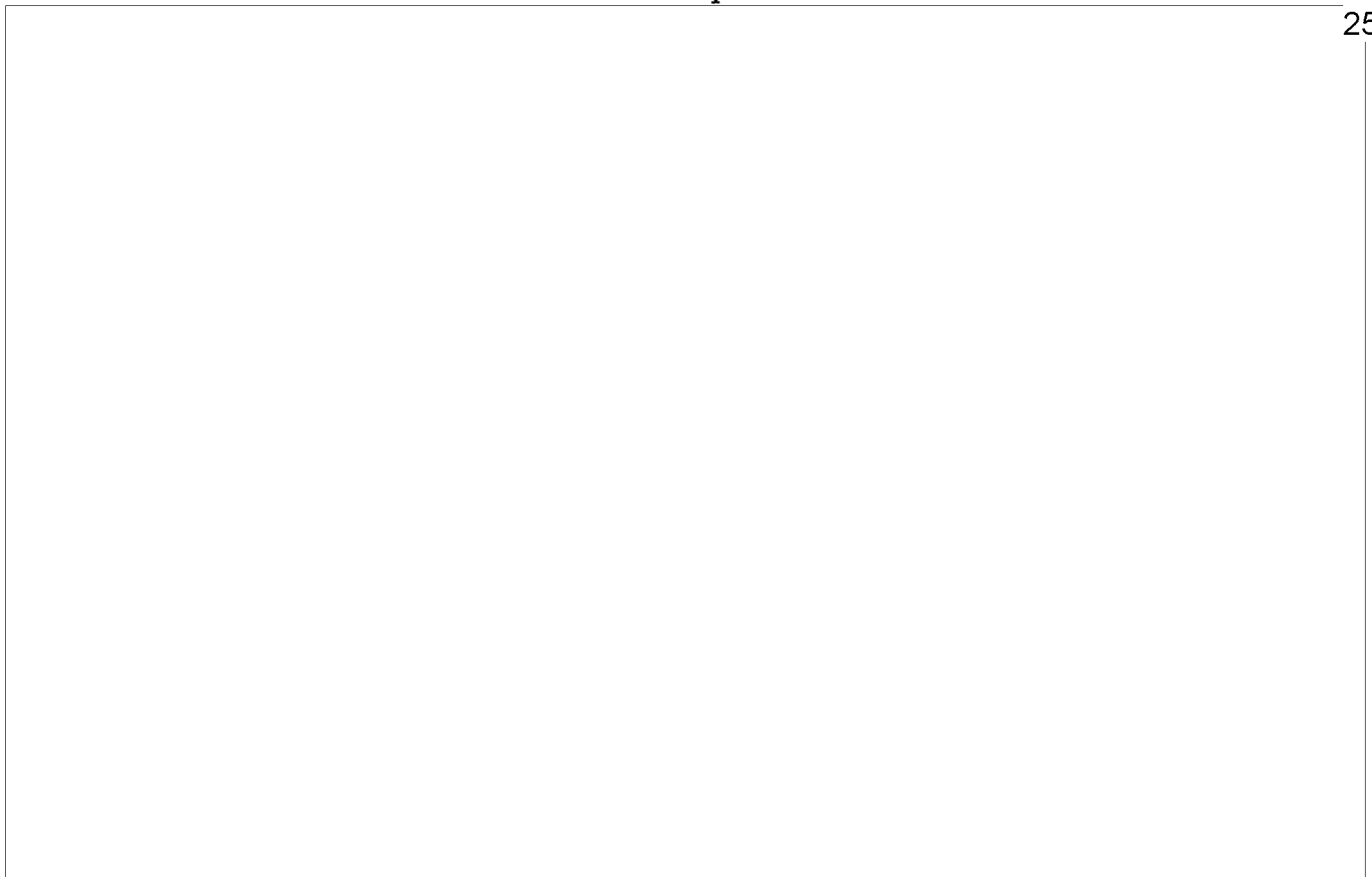
African Unity for 19 January in Addis Ababa is getting little support. A two-thirds majority of all 36 member states is required for a quorum, and thus far only 14 have accepted. Even if some of the moderate French-speaking states change their minds during their own conference in Madagascar from 15 to 17 January and decide to go on to the OAU meeting, it is unlikely that a quorum will be present.

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SECRET**EFFECT OF ITALIAN FOREIGN MINISTER'S RESIGNATION**

Italian Foreign Minister Fanfani's resignation on 28 December may precipitate a difficult cabinet reshuffle which could upset the balance in Italy's four-party governing coalition and introduce new tensions into the forthcoming discussions of its legislative program. Coalition leaders are striving to avoid a formal government crisis, however, and Christian Democratic (CD) Premier Moro is seeking to delay beginning the reshuffle until late January or early February when a discussion of other ministerial changes is scheduled.

Moro has temporarily assumed the duties of foreign minister, delaying the difficult task of finding a Christian Democrat acceptable to the other partners, particularly the Socialists (PSI).

Treasury Minister Emilio Colombo is the most likely successor, although Interior Minister Taviani and Minister without Portfolio Piccioni are also being considered. Colombo is experienced in European affairs, but he is not considered close to Moro, and the PSI reportedly fears that his appointment would strengthen the moderate CD wing's hold on the government. The problem may be further complicated if Fanfani's replacement necessitates extensive shifting in other cabinet posts.

Relations within the coalition are already strained by the delay in parliamentary passage of the 1966 budget. Furthermore, the Christian Democrats' governing partners have again demanded prompt decisions to determine which elements of the government's program can be enacted before the 1968 national elections. The PSI has served notice that it will use a cabinet reshuffle to gain support for progress on key social and economic reforms.

Fanfani's own conduct over the next few weeks may go a long way toward determining Moro's success in averting a prolonged imbroglio. The reason he gave for resigning was that he felt his own and the government's prestige had been damaged by several recent critical press articles and by attacks on his handling of a purported North Vietnamese peace feeler last November. Since he was immediately supported by the rest of the government on this issue and Premier Moro gave him every opportunity to avoid resigning, he presumably was seeking to create a situation which could facilitate his return to the premiership. Some clue to his intentions and to the government's ability to avert a show-down may develop during the parliamentary debate on government policy scheduled to begin on 12 January.

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SECRET**TIMETABLE FOR KENNEDY ROUND IS STRAINED**

US and Common Market officials will meet in Brussels next week to discuss the bleak prospects for a successful conclusion of the Kennedy Round trade and tariff talks in Geneva. There is growing recognition that unless active bargaining is resumed this spring, the Geneva talks will not be finished before the expiration on 30 June 1967 of the President's authority under the Trade Expansion Act to negotiate far-reaching trade liberalization. Although the complexity of the issues themselves and the vital national interests of all the negotiating partners involved have contributed to the slowness of the preliminary bargaining, the major stumbling block now is the internal crisis tying up the Common Market.

The Geneva talks have reached the point where further progress depends on the initiation of real bargaining among the major parties, that is, moving beyond the original offers of tariff concessions and claimed exceptions. The EEC negotiators, however, hamstrung by the paralysis of the decision-making machinery in Brussels since 30 June, have been unable even to formulate initial offers in some fields--especially in agriculture--or modify original positions in other areas. Because of the Common Market's importance in world trade, uncertainty over the nature of its offers--and, indeed, of its continued participation--has created

difficulties both directly and indirectly for all the participants.

The immediate problem for the EEC Commission is to obtain a broader and more flexible negotiating mandate from the EEC Council of Ministers. In addition, however, the community will have to adopt internal regulations on various agricultural commodities before it can offer to negotiate with outsiders what access they will have to the EEC market. The commission is aware of the need for proceeding rapidly with the Geneva negotiations and is drawing up a report on the outstanding problems for presentation to the council by 31 January. The council--meeting without the French--decided last fall to reconsider by that date the community's position on the Kennedy Round.

The Kennedy Round will therefore figure large in the outcome of the forthcoming confrontation between France and the Five, but the precise impact it will have on the community crisis is difficult to assess. The French, knowing the great interest of the Five in the Geneva negotiations, may attempt to bargain some general commitment of support for the Kennedy Round in return for concessions on Common Market political issues. However, it is difficult to see what promises Paris might make which the Five could accept with any confidence. Moreover, the

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very importance which the Five attach to the Kennedy Round may make them reluctant to concede to the French any suspension of the EEC's majority voting rule, which as of 1 January became applicable to commercial policy decisions--and hence to the Kennedy Round.

Even if events in the next weeks promise a resumption of French participation in EEC

activities, some slippage of the end-of-January deadline can be anticipated because of the priority likely to be given to a resolution of the political crisis. On the other hand, the absence of a settlement among the Six would leave the way open for the Five to attempt to move ahead without France. In that event, delay would of course also be inescapable in the preparation of a revised EEC position for Geneva.

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Western Hemisphere

CASTRO'S ANNIVERSARY SPEECH AND THE TRI-CONTINENT CONFERENCE

Cuba's continuing economic problems were the major theme of Fidel Castro's speech on 2 January, the seventh anniversary of the Cuban revolution. Speaking on the eve of the Tri-Continent Conference, before a crowd which included some 500 representatives of leftist and revolutionary forces of about 100 countries of Asia, Africa, and Latin America, he also reiterated Cuban support for "revolutionary struggles" throughout the world, and dedicated 1966 as the "Year of Solidarity."

Castro praised Cuba's economic successes in 1965 but then

spoke gloomily of the need to tighten belts and prepare for increasing economic hardships. He said that because of this century's worst drought, Cuba's 1966 sugar production goal--6.5 million tons--will not be met.

Castro heatedly denounced the United States for its economic restrictions against Cuba and declared that he had not attempted a "conciliation" when he initiated discussions over the exodus of Cuban refugees. He confirmed that Cubans applying to leave will lose their jobs and be re-employed in agriculture,

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particularly in cutting sugar cane, unless they are in certain "critical" industries.

More significant, however, was Castro's announcement that a "misunderstanding" with China would cause crucial rice shortages in 1966. It appears that Cuban sales to China will drop only slightly but that Peking will reduce its exports to Cuba by \$30-40 million. About half of this reduction will be in rice, and about a third of Cuba's total supply will be affected. Havana will probably find it difficult to make up the difference. Peking's move to stop financing Cuban trade deficits and its refusal to buy additional Cuban sugar probably result from its anger over Havana's "revisionist" posture.

Castro's timing of the announcement--while the trade agreement is still being negotiated--appears to have been calculated to embarrass the Chinese on the eve of the Tri-Continent Conference. Castro said, "we accept their reasons," explaining that the Chinese have earmarked much of the rice for Vietnam, but added that the Cubans "are prepared to give also our blood for the Vietnamese people."

The Chinese reacted strongly to Castro's speech. Chinese journalists in Warsaw disrupted the Cuban ambassador's press conference on 4 January and had to be restrained from assaulting him.

Despite this growing animosity, which for the first time has taken on the form of public re-criminations, Cuban officials are reportedly maneuvering behind the scenes at the conference to avoid an open clash between the Soviet and Chinese delegations.

The initial proceedings clearly indicate that anti-US fulminations will be the conference's main order of business. It also seems likely that some kind of "three-continent" organization will be established to extend the present Afro-Asian People's Solidarity Organization (AAPSO) to Latin America.

Cuban President Dorticos' welcoming speech set the tone for the conference. He said the delegates have a responsibility "to find a common revolutionary and anti-imperialist language which can be shared by (all) freedom-loving people," and to proclaim the will of people to fight imperialist violence with revolutionary violence." He went on to say, however, that the paths of revolutionary struggle "are, of course, conditioned by the circumstances of each country." This statement and a similar one made by Fidel Castro in his 2 January speech evidently were designed to mollify those Latin American Communist leaders who have objected to the past Cuban view that "armed struggle" is the only revolutionary course which will lead to ultimate victory, and at the same time not to offend such "hard-line" Communists as the Venezuelan FALN.

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SITUATION IN PANAMA ON ANNIVERSARY OF ANTI-US RIOTS

The Panamanian Government is determined to avert violence on the anniversary of the bloody anti-US riots of 9-11 January 1964. Students, civic organizations, and a small Communist front group plan demonstrations and a procession to the graves of Panamanian "martyrs" killed in the riots.

There is no evidence that Communist elements or other oppositionists, including the unpredictable Arnulfo Arias, plan to foment serious trouble. The orthodox Communist Party is wary of activity likely to provoke government repression. Communist student leaders are hampered by a deepening split between "hard"- and "soft"-line factions and preoccupied by preparations for student elections scheduled for 12 January at the University of Panama.

Some uneasiness prevails, however, and President Robles has instructed the national guard, recently bolstered by units trained

in riot control, to act at the first sign of any disturbance.

In addition to a strong public feeling that the anniversary should be observed peacefully, publicity on the negotiations for a new canal treaty contains nothing which would set off new riots. The negotiations are again receiving increased attention, after the holiday lull, however, and Foreign Minister Eleta appears before the Assembly later this month to answer questions about them.

Despite the relatively calm political atmosphere, the basic elements which produced the crisis in 1964 are still present and any number of different sparks could set off a similar explosion. The chronic resentments, unemployment, and irresponsibility among the lower classes of Panama City and Colon, and the oligarchy's weakness for diverting public dissatisfaction into anti-US attitudes have not changed.

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SECRET**BOLIVIAN CO-PRESIDENT RESIGNS**

Late last week it was finally announced that presidential and congressional elections will be held in Bolivia on 3 July 1966 and the new government inaugurated on 6 August. This week, however, the political situation became confused with the abrupt resignation and departure for Europe of junta Co-President Rene Barrientos Ortuno.

The reason for General Barrientos' resignation is unclear, but evidence is building that the decision was involuntary, imposed on him by military pressure. It is not clear whether this pressure resulted from a genuine military desire to observe a constitutional requirement that presidential candidates must resign six months before the elections, or is a power play by General Alfredo Ovando Candia--now sole junta president. Barrientos wanted to stay on as junta co-president until 60 days before the election. In any case, Ovando now will undoubtedly take a number of steps to strengthen his own political position at the expense of Barrientos. He has already appointed one of his supporters to the post of civilian security chief.

Reaction to Barrientos' resignation and temporary absence from the country so far has been mild. The rightist Bolivian

Socialist Falange has decided only to remain in a state of alert and to give full support to Ovando. The Communists believe that Barrientos' departure is a sham and that he will either return shortly to resume the co-presidency and cancel elections, or that Ovando will bar Barrientos' return and cancel elections himself. It has been announced that Barrientos will return to Bolivia on 23 January to begin his campaign for the presidency.

There is a feeling of relief on the part of members of the armed forces that no crisis has arisen. Military officers seem to believe that by observing the constitutional provision for resignation--whether by choice or coercion--Barrientos has raised his own prestige and that of the armed forces as well.

The US Embassy reports that a political crisis of major proportions does not seem imminent. The junta is extremely concerned about a separate development, the possibility of an uprising in the tin mines in mid-January. Extremist agitators have been working hard to incite demonstrations to protest low wages and forced layoffs.

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SITUATION IN DOMINICAN REPUBLIC

President Garcia Godoy's conciliatory approach to the Dominican Republic's political problems has run into opposition from both sides, and he is again despondently talking of resigning from office--possibly in favor of the military. As of 6 January no military leaders from either camp had left the country and their positions were hardening, with the regular military unwilling to have any of the service chiefs sent abroad and the "constitutionalist" military hoping to force their removal. A renewal of leftist-inspired violence--designed to force the removal of the service chiefs--remains an ever-present possibility.

Garcia Godoy's 3 January speech--devoted mainly to the 19 December bloodshed in Santiago--fit into his general policy of trying to calm the passions that have been rampant since April. He refused to assign responsibility for the bloodshed and stated that he planned to send unspecified military personnel on overseas assignments. The plan involved the assignment of ten rebel military officers--including former "constitutionalist" President Francisco Caamano--to plush overseas posts, and a three-month

visit to Israel and the US by 20 regular military officers. The President was hopeful that air force chief De los Santos--anathema to the "constitutionalists"--could be encouraged to head the delegation, while retaining, at least temporarily, his position as service chief.

Neither side accepted this compromise. Caamano has shown little interest in a foreign "political" assignment, possibly because he has domestic political aspirations. Unless he goes, however, no leading military officers will accept overseas assignment. They are fearful that the removal of one service chief might seem to be a sign of weakness which would lead to the subsequent displacement of others, and they appear determined to fight the removal of even one of their number.

Garcia Godoy's decision not to blame either side for the Santiago outbreak has caused both Juan Bosch's Dominican Revolutionary Party (PRD) and the "constitutionalist" faction to withdraw support from the government. The PRD's public statement held Garcia Godoy personally responsible for the country's continuing problems and did not

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make clear the conditions under which it would resume support of the government. The "constitutionalist" statement--made by Caamano's chief political adviser, firebrand Hector Aristy--called for public demonstrations to force the removal of the service chiefs. Bosch has stated that at this time he will not join any call for a general strike by what he considers extremist-led labor unions.

Both the Peking-oriented Dominican Popular Movement (MPD) and the Communist-led 14th of June Revolutionary Movement are planning street demonstrations, further violence, and agitation for a general strike, hoping that this manifestation of "popular" support will force Garcia Godoy to remove the chiefs.

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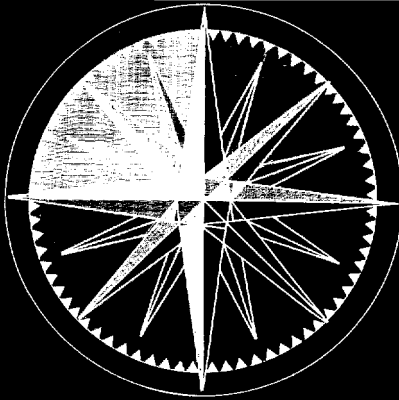
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7 January 1966

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SPECIAL REPORT

THE SUCCESSION PROBLEM IN SPAIN AND PORTUGAL

CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE

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SECRET**THE SUCCESSION PROBLEM IN SPAIN AND PORTUGAL**

The succession problem in the Iberian countries arises from the failure of the two aging dictators to make realistic provision for an orderly transfer of power. Generalissimo Franco in Spain and Prime Minister Salazar in Portugal retain firm control of their respective governments, and they apparently are destined to die in harness. Both men are in reasonably good health, but Franco is 73 and Salazar is 76, and the problem of the transfer of power can come at any time and with no warning.

In both countries the military will control the succession and will probably want a regime similar to the present one. However, no successor is likely to retain for long the concentrated power of the present leaders. If the military should fail to agree on a successor, the presently weak opposition groups may take advantage of the situation to agitate for changes in the dictatorial nature of the government.

Spain's Law of Succession

Spain has a law of succession devised by Franco and approved by a national referendum in 1947, but it deals only with the position of chief of state and is silent on that of the chief of government. To date Franco has used it only to legalize his retention of power. Under the law Spain is a kingdom, headed by Franco as chief of state. Franco has tenure for life, and authority--but no obligation--to name his successor, either a king or, if his choice is nonroyal, a regent.

On Franco's death or incapacitation, a three-man Regency Council--composed of the president of the Cortes (legislature), the senior Roman Catholic prelate

in the Cortes, and the senior active military officer--temporarily assumes power. If Franco designates a successor, these three men will arrange for his installation. If Franco dies without naming a successor, the Regency Council must within three days call into joint session the Cabinet and the Council of the Realm, a group whose chief function is to help select a successor. These two bodies, in an uninterrupted and secret session, must make their choice by a two-thirds vote, and the choice must be ratified within eight days by the Cortes.

The successor must be Spanish male at least 30 years old, and a Catholic. He must swear not only to uphold the six fundamental laws which now serve as a constitution, but also the 12

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SPECIAL REPORT

7 Jan 66

SECRET**SPAIN'S***Franco*

"Principles of the Movement" which perpetuate Franco's system of government. Should no royal candidate be acceptable, the nominating body may name a regent who, if no restrictions are made on his tenure, might rule indefinitely.

In theory, the Council of the Realm contains a balanced representation of political power in Spain. Its members represent the army, the church, the judiciary, the government's labor syndicates, local administrations, and the universities. Together, the 18-member cabinet and the 14-member Council of the Realm represent the most influential groups in Spain, although their present membership may not include all the most influential men. Many observers believe, however, that this body will be brushed aside when Franco dies and the choice of a successor made less formally by agreement among the real sources of political power.

The Decision Makers

Of the four major power groups in Franco's Spain--the army, the church, the business interests, and the National Movement political party--the army is by far the strongest. Its units are widely distributed in strategic positions throughout the country, and its representatives fill key posts in the cabinet and the Council of the Realm and on the boards of business firms and banks. Thus, assuming that Franco will not name a successor in his lifetime, the choice will be heavily influenced by the army, which is interested primarily in the maintenance of law and public order and in its privileged position in the country.

Senior army officers remember the Second Republic in the 1930s when the armed forces were downgraded and are not likely to favor a parliamentary republic. With their ties to the business community, many of whose members favor a king, the army leaders might choose a limited monarchy under the chief pretender, Don Juan de Bourbon, the 52-year-old son and designated heir of the late King Alfonso XIII. However, the most probable move immediately after Franco's death will be the establishment of a military junta until agreement can be reached on a permanent successor.

Although the junta might be either an open one or a behind-the-scenes arrangement, it would probably prefer to operate behind the framework of the Cabinet then

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in existence to give an impression of continuity. From this, some republican form of government of the "strong president" type might in time evolve.

The Dissenters

Opposition groups are illegal in Spain, but they exist and operate clandestinely. Except for a few extremist bands, these groups advocate political evolution. Even the Communists do not now advocate Franco's overthrow.

The principal groups are: Monarchists, Christian Democrats, Socialists, Anarchists, and Communists, as well as some regional groups such as the Basque Nationalists. All of the groups are divided into factions and most are led by aging political figures. Some have organizations in exile as well as within Spain. Their semiclandestine status makes it impossible for them to build a mass membership. Instead they try to create sympathy which they hope can one day be used to attract a formal following. If freedom to organize politically were permitted, the two largest groups probably would be the Christian Democrats and the Socialists.

Although these illegal opposition groups are too weak to play a direct role in the choice of Franco's successor, they may have a chance to influence the selection if the army leaders should fail to agree. Or if a king should be installed and then fail to maintain a viable government, the opposition might have

an opportunity to act. In either case it would probably insist on a plebiscite to determine the form of government. At present the opposition groups are so hampered by the regime and so split on doctrinaire lines that their ability to act is dissipated.

Prospects for a Monarchy

Although the monarchy has little appeal to the majority of the Spanish people, it offers the attractive prospect of a peaceful transition from the present regime. To avoid the bloodshed of civil strife, and in the absence of any organized opposition, the country would most likely accept this solution. The problem is that even among monarchists there is little agreement on the type of monarchy to be installed. Ideas range from a limited British type to an absolute ruler.

Don Juan, the chief pretender, lives in self-imposed exile in Estoril, Portugal, where he follows a daily working schedule to keep up with political developments in Spain. Known as a sportsman, he has a commanding but pleasing personality and is well versed in the techniques of royal public relations. On some past occasions Don Juan has taken firm public stands against Franco. In recent years, however, the pretender has apparently decided that he has more to gain by avoiding open opposition.

Those who prefer more of a figurehead king might want to pass over Don Juan and choose

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instead his son, Don Juan Carlos, who will reach the required age of 30 on 5 January 1968. Franco has at times appeared to favor the son over the father, and has installed the young prince in a palace in Madrid for a period of training in affairs of government. However, Juan Carlos is reportedly a dutiful son and has said he will leave the decision on the succession in his father's hands.

There are several other royal pretenders whose vague claims Franco has noted from time to time, but they have almost no prospects of succession.

Failure to Resolve
Spain's Succession Problem

Franco's only gesture toward dealing with the succession of a chief of government was made in July 1962, six months after a hunting accident in which he was seriously injured. At that time he created the position of vice president of the government to provide an immediate successor, appointing to it his old friend and comrade in arms, Captain General Munoz Grandes, who is also chief of the High General Staff and a member of the Regency Council and the Council of the Realm. As the ranking military leader after Franco, Munoz was a suitable choice, but he is only three years younger than Franco.

Having made provision for an immediate successor as chief of government, Franco and his advisers from time to time have

spoken of proceeding further with laws to define the method of choosing the chief of government and to clarify his powers and relationship with the chief of state. Also needed is a similar clarification of the relationship between the executive and legislative branches. However, repeated failure to announce any laws for institutionalizing the regime tends to indicate that Franco is unwilling to do more than talk about the problems.

The immobility of the present regime on the succession question was evident last April when Munoz Grandes had a serious operation. There was talk of naming a replacement, but nothing was done, apparently because no one was acceptable as both vice president of the government and chief of the High General Staff. Franco's choice was rumored to be Admiral Pedro Nieto, minister of the navy. However, there were reports that the top military officers, including navy representatives, vetoed him as vice president.

Contrary to some pessimistic reports at the time of the operation, Munoz Grandes has returned to his posts and follows a busy schedule. If he and Admiral Nieto are still active when Franco dies, either or both could probably guide the government through a transition period, but neither is likely to provide more than a temporary solution.

The only senior officer who has been reported as having a desire for future power is Lieutenant General Rafael Garica Valino,

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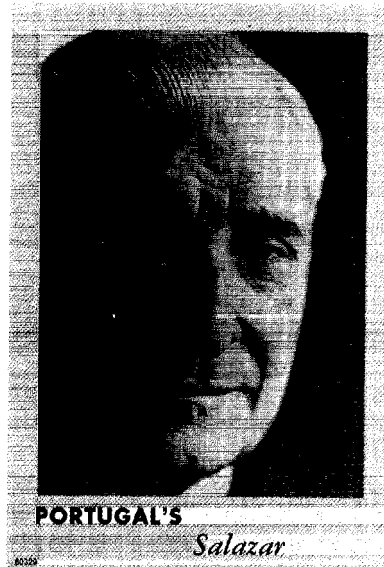
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who was captain-general of the first military region (Madrid) until he was placed on the semi-retired list when he turned 66 last year. He is said to be in disfavor with Franco but respected by the army. No other high-ranking military officer appears to want to succeed Franco, although this situation may change once Franco is gone.

Legal Provisions for the Succession in Portugal

Prime Minister Salazar, who wields the political power in Portugal, has indicated that he expects to be replaced in a routine manner in accordance with the constitutional provision that only the president of the republic can appoint and dismiss the prime minister. The legislature has no voice in the selection; it need not approve the president's choice and has no power to disapprove it. This is the president's one important power, but there has been no occasion to use it since the Constitution was adopted in 1933.

Salazar has seen to it that the president has always been a regime supporter who could be depended upon to designate a prime minister acceptable to the power groups in Portugal. Up through the election of 1958, the president was elected by direct suffrage of a restricted electorate. After the opposition candidate, the late General Humberto Delgado, won 25 percent of the vote in 1958, the law was changed to provide indirect suffrage by an electoral college. Last July, under that new law,



70-year-old Admiral Americo Thomaz was re-elected without opposition to another seven-year term.

Portugal's Power Groups

Behind the legal facade that will probably be displayed in the choice of a successor to Salazar will be the important backers of his regime--the armed forces, the wealthy property-owning class, and the Roman Catholic Church. Of these, the armed forces are most likely to control the succession. Although there have been occasional instances of military opposition to Salazar, the top leadership of the armed forces is conservative and almost certainly favors a continuation of the authoritarian style of regime.

The successor is likely to be someone close to the present regime, either a former cabinet minister or possibly a military figure. There is no "front

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runner," however, and no present cabinet member is expected to take over the top post. One prominent figure long thought to be the man to watch as a possible successor is Marcelo Caetano, former minister of the presidency and former rector of the University of Lisbon. Others who have been mentioned as possibilities are Pedro Theotónio Pereira (a former cabinet minister and former ambassador), Adriano Moreira (former overseas minister now at the University of Lisbon), Admiral Manoel Sarmiento Rodriguez (former governor of Mozambique), and General Julio Botelho Moniz (former minister of defense). In recent months, however, there has been almost no speculation about a successor to Salazar.

The Opposition

After 30 years of censorship and suppression of political parties, the majority of the Portuguese people show little interest in politics. Opposition political parties are illegal, and political groups that do surface during an election "campaign," are treated summarily. The Portuguese Communist Party is perhaps the best organized opposition group, but it has only an estimated 2,000 members and its leaders must operate from abroad. There is a small, but militant, pro-Chinese Communist front group known as the Popular Action Front (FAP), which the Portuguese secret police have recently moved to suppress.

General Delgado, the unsuccessful candidate for the presidency in 1958, for a time led an opposition group in exile called the Portuguese Front of National Liberation. Before his mysterious death last February, however, he had been ousted as leader in a power struggle with the Communists who have taken over the group. It poses no threat to the regime.

The non-Communist opposition consists principally of Social Democrats, Republicans, and Progressive Catholics. In general these groups are made up of intellectual and professional men whose chief political action has been to try to gain recognition from the Salazar regime as legal political parties. The most active group is known as Social Democratic Action.

The Future in Portugal

Because the present regime is so well entrenched, it is probable that the immediate transition will be orderly, under military guidance. Over the long term, however, Salazar's heir is likely to exercise somewhat less than Salazar's dictatorial powers, and the cost of maintaining the Portuguese position in Africa may eventually lead to discontent and divisions in the power groups. Under these conditions the opposition groups would increase their agitation for a change of regime, and the possibility of civil strife would therefore become greater.

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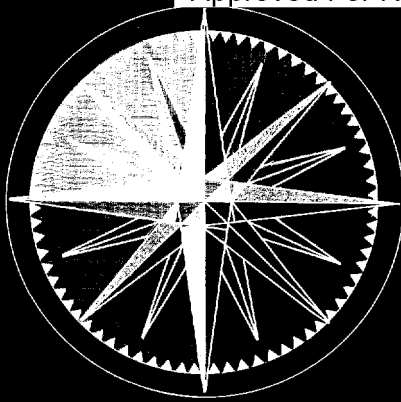
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SPECIAL REPORT

SOVIET ANTIAIRCRAFT ARTILLERY

CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE

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downgrading and declassification

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SECRET**SOVIET ANTIAIRCRAFT ARTILLERY**

Continuing Soviet development and employment of antiaircraft artillery (AAA) indicates that this weapon still plays a role in air defense. This was reaffirmed recently by a high-ranking Soviet general who told the US attaché in Moscow that the Soviet armed forces will continue to make broad use of antiaircraft machine guns and artillery in situations comparable to that in Vietnam, where surface-to-air missiles (SAMs) are not completely effective.

AAA Role Since World War II

With the advent of SAMs after World War II, the USSR relegated AAA to the background and eventually phased it entirely out of the Soviet national air defense system. However, light AAA has remained a vital part in the defense of the Soviet tactical forces and is used extensively in Eastern Europe and Cuba for protection of SA-2 SAM sites against low-altitude attack. Light AAA and machine guns also complement the SA-2. The high-altitude effectiveness of the SA-2 can cause aircraft to fly at lower altitudes where AAA is most effective.

In Vietnam--the only real operational test of Soviet SAMs to date--the number of US air-

craft shot down by AAA and small arms fire is impressive when compared with the number of aircraft downed by SAMs. Over-all US aircraft losses in North Vietnam have been low in relation to the number of sorties flown--less than 1 percent--but SAMs so far have accounted for only 11 US airplanes and 8 drones while AAA and small arms have brought down 150 US aircraft.

Stress on Mobility

The trend in Soviet practice is to use light, mobile AAA of 57-mm. and smaller calibers. This is evidenced by the postwar developments of Soviet self-propelled AAA guns, the latest of which is radar aimed and incorporates a fire director. In addition the 100-mm. gun is being

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used at present on a limited basis in Vietnam.

AAA vs. SAMs

The Soviets probably are dissatisfied with their present low-altitude air defense capabilities in both field army and the national air defense system. They have not yet deployed close action air defense missiles with their field armies. The SA-3, which is used in the national air defense system, may not offer a much better defense against low-

altitude attack than an improved version of the extensively deployed SA-2 SAM, which under ideal conditions is considered effective down to 1,500 feet.

The Soviets will continue to consider AAA a necessary part of air defense. They will certainly continue its use in the protection of field units. It is even possible, although much less likely, that they are considering an interim reintroduction of AAA in some areas of their national air defense system.

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